

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>)	VIRGINIA GAS
)	AND OIL BOARD
)	
RELIEF SOUGHT	EXCEPTION TO STATEWIDE SPACING)	
	LIMITATIONS PRESCRIBED BY)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2))	<u>VGOB-12-0417-3054</u>
	FOR WELL NO. 900024)	

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL
NUMBERED 900024
TO BE DRILLED IN THE LOCATION
DEPICTED ON **EXHIBIT A** HERETO,
Big Sandy Fuel Corporation Tract
12,627.34 Acres, more or less
HARMAN QUADRANGLE
ROCK LICK DISTRICT
BUCHANAN COUNTY, VIRGINIA
(the "Subject Lands" are more particularly described
on **Exhibit "A"**, attached hereto and made a part
hereof)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m. on April 17, 2012** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. 900024**.
7. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. 900024** which is **1,836.60 feet from existing Range Well No. 809547** at the location depicted on the Plat attached hereto as **Exhibit A**.
8. Special Findings: The Board specifically and specially finds:
- 8.1 Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 8.2 Applicant **Range Resources-Pine Mountain, Inc.** is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 8.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. **900024** as well as the right to participate and develop the reciprocal wells, being Range **Well No. 809547**;
- 8.4 The proposed Well No. **900024** is located on the **Big Sandy Fuel Corporation Tract containing 12,627.34 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900024** that is depicted on the Plat attached hereto as **Exhibit A**;
- 8.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **Range Well No. 809547** and that the granting of the application filed herein will not impact the correlative rights of any person;
- 8.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **900024** is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of **425** million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
- 8.7 Applicant proposes the drilling of Well No. **900024** to a depth of **5,660** feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, **Ravencloiff, Maxon, Big Lime, Weir, Berea and Devonian Shale**, from surface to total depth drilled, **5,660** feet ("Subject Formations");
- 8.8 Applicant proposes to drill Well No. **900024** a distance of **663.40** feet closer to existing Range Well No. 809547 than the 2500 feet mandated by statewide spacing;

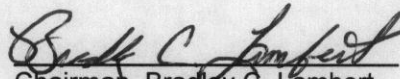
8.9 Applicant proposes to complete and operate Well No. 900024 for the purpose of producing Conventional Gas;

9. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**

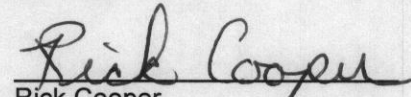
10. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.

11. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 14 day of June, 2012, by a majority of the Virginia Gas and Oil Board.

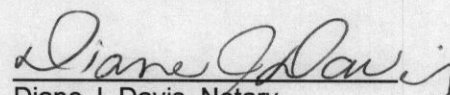

Chairman, Bradley C. Lambert

DONE AND PERFORMED this 14th day of June, 2012, by Order of this Board.


Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF RUSSELL)

Acknowledged on this 14th day of June, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


Diane J. Davis, Notary
174394

My commission expires: September 30, 2013

msword2000\pmog\well.location.exception.900024.order April 23, 2012]



Exhibit "B"
Well Location Exception
Well No. 900024

DEPTH - 5,660'

Dickenson-Russell Coal Company
Maxxim Shared Services, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

ALPHA Land & Reserves, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

WBRD LLC
John Mooney
5260 Irwin Road
Huntington, WV 25705-3247

ACIN LLC
John Mooney
5260 Irwin Road
Huntington, WV 25705-3247

Clintwood Elkhorn Mining Company
Attention: Dale Dotson
P. O. Box 196
Hurley, VA 24260

Bull Creek Coal Company, LLLP
Charles Hart
Box 187
Tazwell, VA 24651

Wellmore Coal Company, LLC
Attn: Andy Hrovatic
P.O. Box 458
Big Rock, VA 24603

Levisa Leasing, Inc.
C/O Mark Altizer
101 Hillside Drive
Abingdon, VA 24210

Dixie J. Elswick
362 Viking Place
Greenville, TN 37745

9,305'

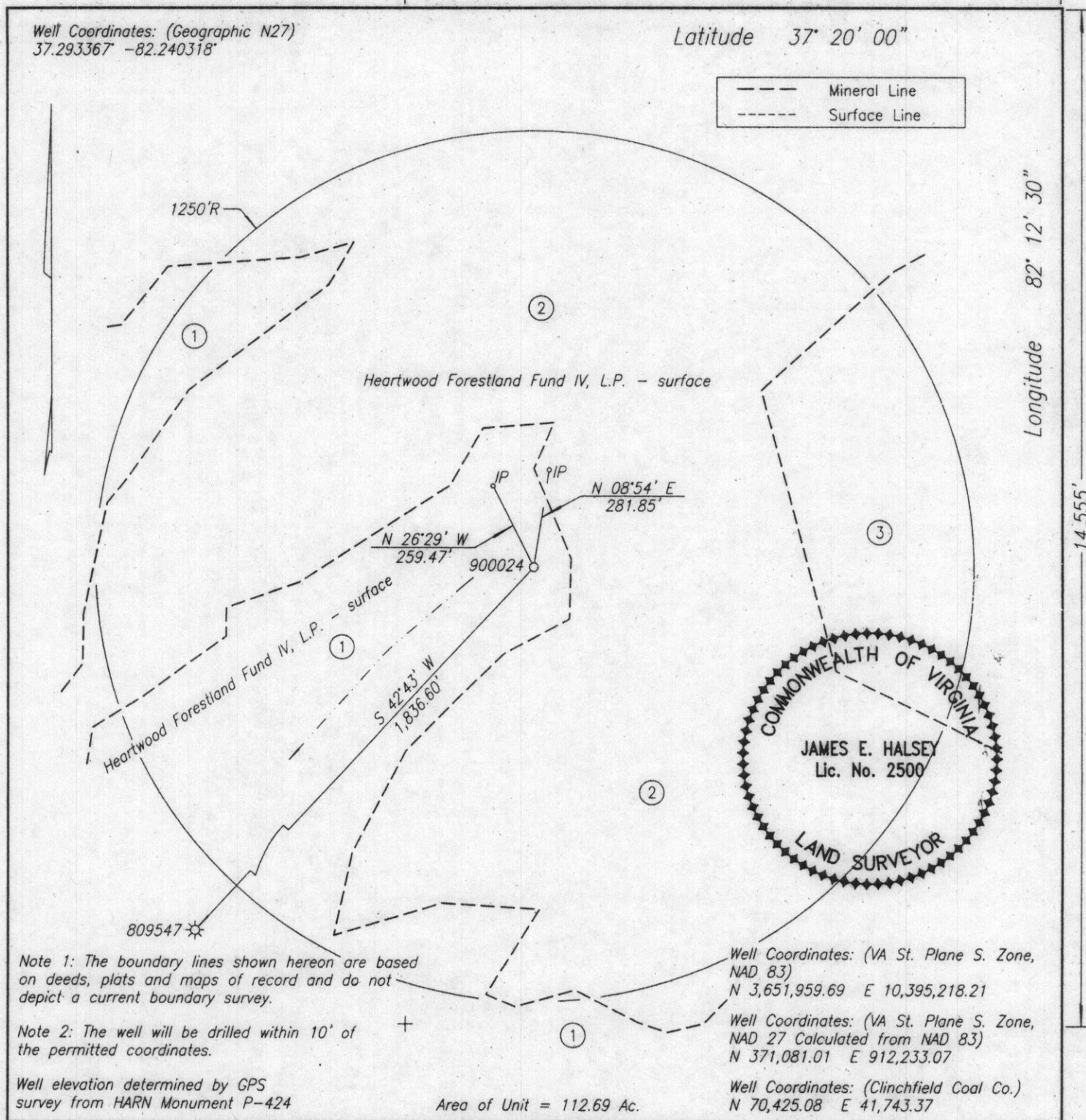
Well Coordinates: (Geographic N27)
37.293367° -82.240318°

Latitude 37° 20' 00"

--- Mineral Line
- - - Surface Line

Longitude 82° 12' 30"

14,555'



WELL LOCATION PLAT NORA GRID I-63

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER 900024
TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,945.11' QUADRANGLE Harman
COUNTY Buchanan DISTRICT Rock Lick SCALE 1" = 400' DATE 2-29-2012

This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor

Exhibit A

900024 Plat
TRACT OWNERSHIP INFORMATION SCHEDULE
3/2/2012

- 1 . Big Sandy Fuel Corporation
12,627.34 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Levisa Leasing, Inc. - coal lessee
Welmore Coal Company - coal lessee
Range Resources-Pine Mountain, Inc. - oil & gas
Gas 25.48 Ac. 22.61%
- 2 . Big Sandy Fuel Corporation
12,627.34 Acres
ACIN LLC - coal (except Clintwood seam)
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal (except Clintwood seam)
Dickenson-Russell Coal Company LLC - coal lessee
Penn Virginia Operating Company - coal (Clintwood seam only)
Levisa Leasing, Inc. - coal lessee
Welmore Coal Company - coal lessee
Range Resources-Pine Mountain, Inc. - oil & gas
Gas 76.16 Ac. 67.58%
- 3 . Lease No. 1-063760
Dixie Elswick - surface, oil & gas
57 Acres
Gas 11.05 Ac. 9.81%